

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER



DATE _____

December 17, 2009

MOTOR CARRIER MATTER

DOCKET NO.

2009-5-G

UTILITIES MATTER



ORDER NO.

SUBJECT:

DOCKET NO. 2009-5-G - Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies of South Carolina Electric & Gas Company - Discuss this Matter with the Commission.

COMMISSION ACTION:

The Office of Regulatory Staff and SCE&G have presented a comprehensive settlement agreement for our approval. We held a formal hearing on November 12, 2009. Based on the evidence of record, I move that we find that adoption of the Settlement Agreement is in the best interest of SCE&G's customers, the State of South Carolina, and the financial integrity of the Company. Our order should specifically find that during the Review Period, SCE&G (a) properly administered the purchased gas adjustment and correctly adjusted the gas cost recovery factors for each customer class in accordance with the terms of Order No. 2006-679; (b) employed prudent gas purchasing practices and policies; (c) administered the Industrial Sales Program-Rider prudently and reasonably and in accordance with the terms of Order No. 2005-619; (d) recovered its gas costs consistent with applicable tariffs and Commission orders, and administered the PGA in a prudent and reasonable manner; (e) conducted and administered its hedging program consistent with the authorization granted in Order No. 2006-679 and as modified in Order No. 2008-546; and (f) was prepared during the Review Period and is currently prepared to meet its firm customers' projected needs via its future supply and capacity asset plans. In addition, two provisions in the Settlement Agreement deserve special mention. First, the Company's recommendation to convert the PGA administration process from a cycle-month sales calculation basis to a calendar-month sales calculation basis appears reasonable and prudent; and, second, the proposal to increase the amount designated as a "material difference" in the monthly cost of gas factor adjustment procedure from "equal to or greater than 1cent per therm" to an "amount greater than 4 cents per therm" seems reasonable. If the increase is less than or equal to 4 cents per therm, then the company should have the discretion to change rates if it believes there would be a reasonable impact to customer bills. I move approval of these two provisions.

PRESIDING: Fleming

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER	
FLEMING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Not Voting</u>	Funeral Leave
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HOWARD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

WHITFIELD

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WRIGHT

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(SEAL)



RECORDED BY: J. Schmieding